SENATE RECORD VOTE ANALYSIS

104th Congress — May 22, 1996, 5:32 p.m.

2nd Session — **Vote No. 146** — Page S-5488 Temp. Record

BUDGET RESOLUTION/Ban on Scoring of Asset Sales

SUBJECT: **Senate Concurrent Budget Resolution for fiscal years 1997-2002 . . . S. Con. Res. 57. Domenici motion to table the Bumpers amendment No. 4036 to the Bumpers amendment No. 4013, as amended.**

ACTION: MOTION TO TABLE AGREED TO, 52-46

SYNOPSIS: As reported, S. Con. Res. 57, the Concurrent Budget Resolution for fiscal years 1997-2002, will balance the Federal budget in fiscal year (FY) 2002 by slowing the overall rate of growth in spending over the next 6 years to below the rate of growth in revenue collections. The rate of growth in entitlements such as Medicare, Medicaid, the Aid to Families with Dependent Children program, and the Earned Income Credit will be slowed. No changes will be made to the Social Security program, the spending for which will grow from $348 billion in FY 1996 to $467 billion in FY 2002. Defense spending will be essentially frozen at its present level.

The Bumpers amendment, as amended (see vote No. 145) would express the sense of the Senate on the elimination of corporate tax subsidies. It would also insert binding language to prohibit the scoring of asset sales that eventually would lead to a net loss of revenue for the Federal Government. More specifically, the amendment would express the sense of the Senate that this budget resolution assumes:

- the Federal budget contains tens of billions of dollars in payments, benefits, and programs that primarily assist profit-making enterprises and industries rather than serving a clear and compelling public interest;
- corporate subsidies can provide unfair competitive advantages to certain industries and industry segments;
- at a time when millions of Americans are being asked to sacrifice in order to balance the budget, the corporate sector should bear its share of the burden; and
- Federal payments, benefits, and programs which predominantly benefit a particular industry or segment of an industry, rather than provide a clear and compelling public benefit, should be reformed or terminated in order to provide additional tax relief or deficit reduction or to achieve the savings necessary to meet this resolution's instructions and levels.

On asset sales, the amendment would only permit the scoring of revenue gained from asset sales to the extent that such revenue

(See other side)

YEAS (52)			NAYS (46)			NOT VOTING (2)	
Republicans (51 or 96%)		Democrats (1 or 2%)	Republicans (2 or 4%)	Democrats (44 or 98%)		Republicans (0)	Democrats (2)
Abraham	Helms	Heflin	Cohen	Akaka	Johnston		Dodd-2
Ashcroft	Hutchison		Specter	Baucus	Kennedy		Lieberman-2
Bennett	Inhofe			Biden	Kerrey		
Bond	Jeffords			Bingaman	Kerry		
Brown	Kassebaum			Boxer	Kohl		
Burns	Kempthorne			Bradley	Lautenberg		
Campbell	Kyl			Breaux	Leahy		
Chafee	Lott			Bryan	Levin		
Coats	Lugar			Bumpers	Mikulski		
Cochran	Mack			Byrd	Moseley-Braun		
Coverdell	McCain			Conrad	Moynihan		
Craig	McConnell			Daschle	Murray		
D'Amato	Murkowski			Dorgan	Nunn		
DeWine	Nickles			Exon	Pell		
Dole	Pressler			Feingold	Pryor		
Domenici	Roth			Feinstein	Reid		
Faircloth	Santorum			Ford	Robb		
Frist	Shelby			Glenn	Rockefeller		
Gorton	Simpson			Graham	Sarbanes		
Gramm	Smith			Harkin	Simon		
Grams	Snowe			Hollings	Wellstone		
Grassley	Stevens			Inouye	Wyden		
Gregg	Thomas						
Hatch	Thompson						
Hatfield	Thurmond						
	Warner						

EXPLANATION OF ABSENCE:
1—Official Buisiness
2—Necessarily Absent
3—Illness
4—Other

SYMBOLS:
AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

exceeded present and future losses of revenue that would come from those asset sales. For example, if an asset like a power plant generated revenue for the Government, the revenue foregone in present and future years would be subtracted from the funds gained from selling the power plant before scoring the sale.

The Bumpers second-degree amendment would add that for the "purposes of any concurrent resolution on the budget and the Congressional Budget Act of 1974, no amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues."

The Bumpers amendment was offered after all debate time had expired. However, by unanimous consent, 1 minute of debate was permitted on the amendment. Further, the amendment contained the text of the underlying Bumpers amendment that had been stricken on the previous vote, and which had been earlier debated. Following debate, Senator Domenici moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

NOTE: Following the vote, the underlying Bumpers amendment, as amended, was adopted by voice vote.

Those favoring the motion to table contended:

The Bumpers amendment would add back the language that the Senate just struck on the previous vote. That language should not be added back. The amendment is ostensibly to block all asset sales from being scored (which is a bad idea in and of itself), but in reality it is intended to stop the issuance of leases on 1.5 million acres on Alaska's North Slope for oil and gas production. Our colleagues imagine that they are protecting the destruction of a rare natural area, but the area in question is certainly not rare, and would not be harmed by leasing in any event. The amount of oil that is likely to be found is absolutely enormous, and would greatly increase the economic security and prosperity of our Nation.

When determining if a budget is in balance, all spending, and all revenues, should be counted, including from buying and selling assets. The Federal Government constantly buys and sells assets. Pretending that no revenue is gained from sales is illogical and encourages the Government to hold on to assets that it should not have. Claims that counting asset sales in deficit calculations will result in the sale of the Statute of Liberty and the Grand Canyon are preposterous. Sales always will be restricted to those that are in the public interest. If they are not, the public will elect new Members who are more representative of their wishes.

The sales, or actually leases, that our colleagues wish to block with this amendment are in the public interest. None of the acreage in question is now or ever has been designated as wilderness. In 1980, Congress set aside 19 million acres as the Arctic National Wildlife Refuge (ANWR), which is equal to the size of Maine. Of that acreage, 8 million acres were designated as wilderness, and 11 million acres were designated as non-wilderness refuge lands. Within these 11 million acres, Congress set aside 1.5 million acres for study for their potential for oil and gas production.

It seems that some Senators believe that the small area of ANWR which can be opened for oil and gas production comprises most of the remaining wilderness area in the world. Their belief is absolutely wrong. In the first place, as we have already stated, it is not even designated as wilderness. In the second place, Alaska already has 56 million acres that are designated as wilderness. To give our colleagues a proper appreciation of the size of 56 million acres, we note for them that this is an area that is larger than North and South Carolina combined.

Some Senators have made the rather wild claim that oil drilling in these 1.5 million acres will destroy wildlife populations throughout all 19 million acres of ANWR. We heard the same nonsense when certain Members tried to block the Trans Alaska Pipeline bill in 1973, which was built to transport oil from Prudhoe Bay, Alaska. That pipeline was built, and, instead of harming local wildlife, it helped it. The number of caribou increased by 600 percent, and the populations of musk oxen, waterfowl, polar bears, and other species also increased. No adverse effects have been reported from that pipeline. To be sure, we expect some of the positive effects near the drilling in this area will be reduced, though, because modern drilling technologies have reduced the "footprint" of oil wells. Only 5,000 to 7,000 of the 1.5 million acres will actually be developed in exploration efforts. Animal populations near these few thousand acres will benefit, but life will remain the same for animals in the rest of the refuge.

On the other hand, life will not remain the same for Americans; it will improve. Interior Department studies of the area have concluded that there is a 46-percent chance of discovering commercial quantities of oil, and that there may be as much as 9.2 billion barrels of oil that can be recovered. To give some perspective of how much oil that is, 10 billion barrels have been pumped out of the Prudhoe Bay field, and that field has provided 25 percent of America's oil for the past 20 years. Because of efforts by environmentalists to block domestic oil exploration, the United States now has to import 55 percent of its oil from overseas at a cost of $70 billion per year, and much of that oil comes from unstable, despotic regimes. Most of our trade deficit comes from oil imports, and the national security danger of relying on foreign oil was amply demonstrated by the Persian Gulf War.

Counting revenue from ANWR leases makes solid budgetary sense. Further, ANWR leases will not prove harmful to the environment, and may well result in tremendous economic benefits. We urge our colleagues to be guided by the facts and to reject the Bumpers amendment.

Those opposing the motion to table contended:

From 1987 to 1995 the United States had a firm policy against the scoring of asset sales. That policy made perfect sense. Most of the Federal Government's expenses are on-going--programs continue from year to year. We do not fund education programs in one year, for example, and cancel them all in the next. Small changes may be made here and there, but for the most part spending changes are gradual. Thus, we know how much money, in general, we need to raise to operate the Government each year. Of course, as a general rule, we should not borrow money to pay operating expenses--tax collections should match outlays each year. To manage that match, we need to have a steady stream of revenue that we know, in general, that we can collect each year, such as income taxes. We cannot use a revenue source that we know will not last, because when it runs out we will then have huge deficits. Assets are an example of a limited revenue source. If 50 percent of the revenues we used to balance the budget in a year came from asset sales, the next year, if no assets were sold, expenses would be about the same and we would have 50 percent less revenue to pay them. More assets of course could be sold, but the United States simply does not have that many resources to sell. Each year, more and more precious assets would have to be sold. Eventually, even items like the Statute of Liberty or the Grand Canyon would end up for sale. In the end, the United States would have no assets and huge deficits.

On the previous vote we stopped the scoring of the most objectionable assets sales, which are the sale of assets that generate more revenue over time for the United States than is gained from their one-time sale. However, other sales, such as sales of wilderness areas, have not been stopped, because such areas do not generate revenue for the United States. We are particularly concerned about the efforts that are underway to lease ANWR for oil exploration (in fairness, leasing is not technically the same as selling, but the Congressional Budget Office scores this type of lease as a sale). If oil is found there, which we think is unlikely, the most money that will be generated for the Federal Government will be about $1 billion. At the same time, that precious natural wilderness will be horribly damaged by roads and drilling rigs, and potentially by oil spills. We are not about to vote to despoil one of the few remaining pristine wilderness areas on earth in a desperate search for a little more oil. The earth's reserves of oil are dwindling rapidly, and the finding of appreciable deposits of oil will change this fact only slightly. We have little to gain monetarily, and much to lose environmentally, if we allow the leasing of ANWR to go forward.

The Energy Committee is instructed by this resolution to come up with $1.4 billion in savings. Only $400 million in savings are suggested. To achieve the additional billion dollars in savings within its areas of jurisdiction, the Energy Committee has basically only 3 options--to recommend the sale of the Power Marketing Administrations (PMAs), to recommend ANWR leasing, or to impose royalties on hardrock mines. The first option has been blocked by the previous amendment. Any savings from selling the PMAs can no longer be scored. Passing the Bumpers amendment would block the second option as well, forcing the selection of the third option. Thus, agreeing to the Bumpers amendment would block the leasing of ANWR for oil and gas development, and would result in new royalties being put on hardrock mining companies. We favor that result, and thus favor this amendment.